collection. (Southwestern Bell at pp. 1-2; Florida at p. 5.) In today's competitive market almost all carriers issue calling cards using a variety of platforms and card issuance methodologies. To require that such billing go through LEC calling cards or be verified through the LEC calling card billing screen would effectively limit consumer options and competitive opportunities and should be rejected on its face as unnecessary and anticompetitive. As noted before, Pilgrim believes that what is needed is not strict control over the types of calling cards issued but reliable instant blocking information from each of the LECs. (See Florida at p. 4.) If the Commission were to require that LECs upload 900 or information service blocking request to LIDB and required all carriers and information providers to poll this information prior to clearing or billing each call, Congress' mandate would thoroughly be carried out and competition would be preserved.

1. "Instant" Calling Cards

Several of the parties including the Commission have extensively criticized the practice of instant issuance of calling cards, but the precise acceptable parameters surrounding the issuance of calling cards that would be acceptable has not been clearly defined. The Alliance of Young Families ("AYF") and other parties argue without support that instant calling cards are an inherently deceptive practice which much be prohibited by the Commission. (Alliance of Young Families at p. 3; AT&T at p.

3.) AT&T and other carriers support AYF's argument. These parties fail to recognize that AT&T and other carriers engage in instant calling card issuance programs. Furthermore, there is nothing inherently deceptive with the practice of instant issuance of calling cards so long as the Congressional requirements are met and the cards are properly issued with full disclosure and a right to avoid disconnection of local exchange service for improperly billed information services.

Pilgrim is intrigued by the comments of Pacific Telephone which would require a ten day delay period between issuance of a written presubscription and deniability of billing pursuant to such presubscription period. (Pacific Bell at p. 3.) Pilgrim submits that with respect to calling cards, one way to address the concerns of various parties and the Commission regarding instant issuance of calling cards is to require the issuing party to actually mail a card. First, the card would be instantly authorized by the issuing party, but the issuing party would be at risk for deniability charges in accordance with Pacific Telephone's suggestion for a reasonable mailing period -- somewhere between 5 and 10 days.

In order to require the expeditious mailing of a card, however, the Commission will also have to order the local exchange carriers to provide nondiscriminatory and immediate access to billed name and address ("BNA") to all carriers and information providers upon reasonable rates, terms and conditions. Once again, Pilgrim notes the difficulties it has

experienced in the past in obtaining BNA and other relevant information on a real time basis which has significantly and negatively impacted its ability to compete and properly control fraud. Pilgrim requests the Commission to order all LECs to provide real time and on-line BNA for calling card issuance purposes.

2. Independence from Call Origination

Several parties have requested that calling cards be issued that permit the charging of calls to a predesignated phone number which is independent of the origin of the call. Florida Pub. Svc. Comm. at 4; U. of Miss. Col. at 3. Pilgrim believes that this is an essential characteristic of any calling card, and is certainly a characteristic of its calling cards. We support, therefore, the adoption of this requirement as a characteristic of calling cards.

D. Requirements for a Level Playing Field

Pilgrim is somewhat surprised by the number of commenting carriers which failed to recognize that the rules proposed by the Commission will have a significant impact on many of their own offerings. Pilgrim finds particularly curious the enthusiastic support for the rules as proposed by Southwestern Bell and AT&T (Southwestern Bell at p. 2, AT&T at pp. 1-3) as the proposed rules would significantly restrict much of the access they provide to information services and their various service

territories, in particular, the commission arrangements on both domestic and international service, supplied by AT&T. As Pilgrim extensively addressed the impacted offerings of the various parties in its original comments, and additional information has been provided by a number of parties to this proceeding, Pilgrim will not comment further except to reemphasize the point that the Commission's rules as proposed will apply to all of these service offerings, and that any distinction among similarly situated offerings of various competitors would be violative of the Act, and if the distinction is content based would implicate constitutional concerns.

1. Review Of Proposed Blocking Plans; Restrictions on Dialing Patterns and Billing Blocks Best Provided Through 900 LIDB Block

A number of parties to the proceeding have noted the noncompetitive nature of the 900 SAC (Total Telecom at 23-25), the excessive costs associated with obtaining 900 services and the difficulty of obtaining 900 information services as a subscriber when travelling, either from pay phone, hotels or other aggregator locations. It is apparent from the comments of these parties, as well as information supplied by Pilgrim in its original comments, that there are a number of significant drawbacks to requiring that all information services be provided over the 900 SAC. Congress recognized the problems inherent in the 900 SAC as well, leading it to provide for a wide variety of dialing patterns and access provisions, including toll free

access and the use of presubscription agreements and credit cards or calling cards as exemptions from the requirement of using a 900 SAC.

A significant number of the commentors also expressed a desire to see more blocking information being made available to carriers and information providers, and requiring carriers and information providers to access this blocking information. Specifically, Pilgrim notes the comments of California at page 2, the Connecticut Attorney General at page 11 and Florida at page 4. In each instance, these public interest parties note that the public interest would be served by requiring the polling of blocking information and making access to blocking information generally available. Pilgrim endorses these comments and believes that the objectives of Congress, various consumer protection groups and the information service providers can best be addressed through requiring the LECs to make 900 SAC blocking information or a similar information service blocking code, available through LIDB. Once this information is available, the Commission may also require all carriers to provide access to informational enhanced services, and all information providers to poll this blocking data and honor blocking requests prior to providing access or billing for access to enhanced or information services.

2. The Commission Should Reject Commercial Biases and Place all Offerings on Equal Playing Field

Requiring the provision of 900 SAC or information service blocking in LIDB is only one way in which the Commission can better effectuate the intent of Congress, satisfy the concerns of the public interest and information service parties in this docket and otherwise ensure an equal playing field for all competitors. Several parties have noted other biases in their comments which should be recognized and avoided by the Commission in its drafting and adoption of final rules in this proceeding. Excel in its comments at page 2, notes that many of the Commission's comments disadvantage resellers in favor of facilities based carriers. Some of the areas in which this is most apparent are the dialing patterns available to and the market access controlled by the major facilities based carriers such as AT&T and MCI. Each of these carriers have ubiquitous 10XXX dialing capability, as well as a significant enough market presence to be able to offer commissions for generating additional traffic to and from information providers. The rules adopted by the Commission should recognize these market impediments to smaller carriers and independent information providers and adopt rules to provide for an equal playing field.

As noted by Total Telecom., the Commission seems to recognize a very small list of "free" information services that would somehow be permissible under the rules. Total Telecom at 22. Many of these offerings are not free, however, especially when message unit or toll charges apply. Commissions may be being paid by carriers for traffic stimulation to these numbers

as well. Pilgrim believes that the amendments made under the Telecommunications Act of 1996 were primarily designed to assure a level playing field among all telecommunications competitors. Any attempt by the Commission to carve out small special exceptions for the local exchange or other carriers will be contrary to the Congressional mandate, and constitute discriminatory application of the rules to competitive carriers.

3. Ultimate Resolution of International Dialing Issue

One way in which the Commission can address the international dialing issue is to apply the Congressionally mandated disclosure requirements to all carriers, including AT&T and MCI on their discounted and commissioned international information service offerings. *See* Young Families at 4.

4. Any Proposed Regulations Should Apply To All Parties

The most important lesson that the Commission could have learned to date is that any attempt to provide exclusions and exceptions will generally lead to some parties manipulating the exclusions or exceptions in ways not readily anticipated or intended by the Commission. As a result, the Commission should carefully review any exceptions that it grants from its rules.

As was evident in the initial comments, a number of parties attempted to preserve exclusions that are of special benefit to them, claiming that such were de minimis, or were not

under the aegis of Congressional intent. As stated above, Pilgrim believes that Congress expected that any time information is provided, the caller must be given full cost disclosure, and must be permitted the opportunity to not have its telephone service cut off for failure to pay for the subject charges. Pilgrim believes that this rule should apply equally whether the charge for the call would appear to be a regular toll charge, for which the carrier remits part of the charge to any company.

The test that should be adopted should state that the commission arrangement exclusion either applies to all calls, or applies to all calls equally, regardless of content. That is to say, that the rules apply to all calls, regardless of the content or manner in which the charges and commissions are made, or applies equally to all calls within certain classes, regardless of content.

On this second issue, Pilgrim provides some services which permit callers to participate in public forum discussions. This activity, which is protected by the First Amendment, is no different than AT&T or any other carrier making teleconferencing available for business purposes, except for the presumed nature of the content. There can be no justification, however, for making access to and billing and collection for, public forum calls more difficult than business forum teleconferencing, so long as consumers are made aware of the charges for the call,and the consumer is notified that its local telephone service may not

be terminated for non-payment of charges associated with the call.

5. Carrier Commission Payments

A number of parties have also identified commission payment schemes used by a variety of carriers, including AT&T and MCI. Lo-Ad at 7-8; Total Telecom at 17-22. Rather than outlaw commission payments for the stimulation of traffic, as suggested by California at 4-5, the Commission should recognize these as legitimate carrier traffic stimulation schemes, or in the alternative, require the disclosures associated with the use of a credit or calling card to all such calls. Pilgrim believes that AT&T's feeble attempts to distinguish its TSAA and other commission payments as somehow different from the commission paid by any other carrier, or discount the effect they have on the stimulation of calls to IPs or incentives to IPs to associate with certain carriers, should be discounted. Pilgrim does agree with AT&T, however, that all commission schemes of the LECs and CAPs should be burdened with the same rule requirements.

E. Control and Discretion Should not be Granted to the Local Exchange Carriers

Pilgrim is particularly concerned with the request by several parties (e.g., GTE at p. 6) that the local exchange carrier should be permitted a good faith termination exception or some other type of auditing or regulatory rule with respect to enforcement of these rules. While Pilgrim has not experienced

difficulties with most carriers, in fact many carriers work in active cooperation to provide the highest level of consumer satisfaction such as Pacific Bell, other carriers impose content and image-based restrictions on 900 service and any other service it can identify as having any kind of informational or public forum component.

Perhaps the most egregious example of this that Pilgrim is aware of involves Southwestern Bell's initial denial of billing and collection for 900 services associated with a U.S. senatorial campaign in Texas. In Parmer v. Southwestern Bell Telephone, Texas Public Utility Commission Project 9678, August, 1990, Southwestern Bell terminated billing and collection for 900 service provided to a Democratic senatorial campaign because "the campaign's image was not consistent with Southwestern Bell's image." At the same time, the Parmer campaign was able to demonstrate that Southwestern Bell was providing billing and collection for the Republican opponent's campaign, that of Senator Phil Gramm.

Fortunately for all the parties involved, Southwestern Bell agreed to suspend its billing and collection policy until after the campaign in order to avoid the need for further Commission or court action in that proceeding. The Commission should avoid adoption of rules which either encourage or permits the LECs or other carriers imposing image or content-based restrictions such as those previously applied by Southwestern Bell.

F. Disclosure And Streamlining Of Process Is For The Benefit Of Commission

Some of the most useful observations of the parties is the need for uniform and consistent disclosures to avoid consumer, carrier and information provider confusion. Alliance of Young Families at 3. These uniform requirements also should be assessed against all information calling patterns to ensure a level playing field.

Pilgrim also specifically supports the comments of GTE in calling for an inexpensive and easy complaint procedure. GTE at p. 6. Rapid reporting of complaints to the carriers and IPs involved would help ensure rapid resolution of consumer complaints, and would help reduce consumer frustration. More importantly, rapid recognition and disclosure of consumer complaints can help a carrier recognize that there may be a problem with a particular calling program, and permit the rapid correction of any problem to the benefit of all parties.

G. Billing for 800 Calls

One of the items of continuing concern for Pilgrim is the requirement proposed by the Commission that the actual 800 number dialed by the consumer be displayed on the bill when charging is made pursuant to prescription agreements or calling cards. We note that some state commissions have taken the position in the past that failure to place the 800 number dialed on the bill is deceptive. In many instances, its been Pilgrim's

experience that placing the 800 on the bill is actually more confusing to consumers because it provides no information regarding the actual service to which the consumer is finally connected, and as 800 numbers are generally associated with toll free calling, it would misidentify a call in which the consumer authorized charging through a written presubscription or calling card as one for which there should have been no charge. The USTA in its comments also notices that the 800 numbers are confusing and unsettling and need not be shown on the bill (USTA at p. 2). In addition, both GTE and USTA note that some LECs will not bill for 800 number calls when an 800 number is placed in one of the billing code fields. GTE at p. 5; USTA at p. 2. To the extent that a Commission requirement would actually prevent billing and collection when such method of billing and collection is specifically and unequivocally authorized by Congress, the Commission's action would directly contravene the 1996 Act. Clearly adoption of such a rule would exceed its statutory authorization, but any adoption of such a rule should be accompanied by a requirement to provide billing and collection independent of the service offered.

Once again, Pilgrim notes that such a provision would not be applied equally against all carriers and information providers. In any instance in which a party dials a 1-800 or 10XXX number in order to reach an information provider, many times the carrier will not know that an information provider was dialed during the course of the call. Many of the offerings of

larger carriers, such AT&T True Messages' offering which is clearly an information service offering under the rules, also currently does not display the 800 number dialed but usually a 700 number or other number which references the internal area code routing on the AT&T network for provision of the service. If such rule is adopted, it would have to applied equally to all carriers and offerings, such as AT&T True Messages and other information service offerings of the various carriers and appear on bill pages in the same manner.

1. Provision of Billing and Collection Services

Pilgrim also believes, in concert with the other goals of the Communications Act amendments, that all carriers or IPs are entitled to non-discriminatory access to and provision of billing and collection services upon reasonable terms and conditions. Placing the billing carriers as the arbiter of rule compliance, or worse, as noted above, as some kind of censor, is inconsistent with the goals of the amendments to the Act, and may be either unlawful or unconstitutional. In most instances, as Pilgrim and other parties have noted, all carriers carry some kinds of information services, and provide billing for themselves, sometimes under the guise of the services being "free." The Commission should specifically adopt a regulation that requires non-discriminatory provision of billing and collection services.

H. Other Comments

In closing, Pilgrim simply wishes to note with curiosity the suggestion by Ohio that IPs be prohibited from telling a caller to a 800 number from calling a 900 or international number. We believe that this requirement is specifically contrary to the intent of Congress, and are a little confused as to the specific deceptive practice attempting to be addressed by Ohio. Ohio at pp. 2-3. Pilgrim respectfully requests that the Commission disregard this and similar comments which have no apparent connection to abusive practices or to the issues being addressed by Congress or by this Commission.

IV. CONCLUSION

In conclusion, Pilgrim requests that the Commission recognize the intent of Congress, and provide a level playing field for all parties.

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